

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF NORTH)
SHELBY WATER COMPANY) CASE NO. 91-198

O R D E R

On June 24, 1991, North Shelby Water Company ("Association") filed its revised tariff with the Public Service Commission ("Commission") for the purpose of adjusting its rates pursuant to the purchased water adjustment procedure, KRS 278.012 and 807 KAR 5:068. In its application, the Association had used incorrect rates for purchases made from the Louisville Water Company, Inc. ("Louisville Water"). On June 28, 1991, the Association filed a corrected list of charges and the record is now complete.

The Commission, having reviewed the evidence of record and being sufficiently advised, finds that:

1. The Association purchases water from Louisville Water, Shelbyville Water and Sewer ("Shelbyville"), and Frankfort Electric and Water Plant Board ("Frankfort").

2. Effective with the water bill due October 15, 1990, Frankfort increased its rates for wholesale water from 80 cents to 90 cents per 1,000 gallons. Effective January 1, 1991, Louisville Water increased its rate for water sold to the Association from \$1.02 per 1,000 gallons to \$1.06 per 1,000 gallons, and increased its \$55.13 service charge to \$57.22. There was no increase in the elevated service area surcharge of \$.19 per 1,000 gallons. There

has been no change in the rates charged by Shelbyville. The weighted average monthly bill will increase from \$37.65 to \$38.40, which is an increase of 1.99 percent.

3. The Association proposes to increase the rates to its customers effective July 20, 1991.

4. The Association filed conflicting information concerning which amount of purchases were made from which supplier in Exhibits A and C, attached to its application. Staff determined that the proper data for the purchased water adjustment was filed in Exhibit C.

5. During the 12 months ending May 31, 1991, the Association purchased a total of 292,945,570 gallons of water, 50,355,000 gallons of which were purchased from Louisville Water, 137,969,570 gallons of which were purchased from Shelbyville, and 104,621,000 gallons of which were purchased from Frankfort.

6. The Association sold 225,489,176 gallons of water during the same 12-month period.

7. The increase in purchased water costs is \$12,501, resulting in a purchased water adjustment of 6 cents per 1,000 gallons of water.

8. The purchased water adjustment of 6 cents per 1,000 gallons and the rates in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable and should be approved.

9. The tariff sheet proposed by the Association should be denied in that the tariff is not signed by the utility officer authorized to issue the tariff.

IT IS THEREFORE ORDERED that:

1. The tariff sheet filed by the Association is hereby denied.

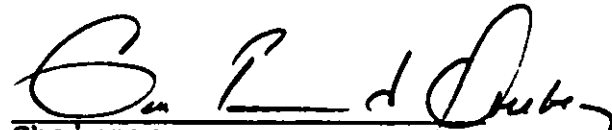
2. The purchased water adjustment of 6 cents per 1,000 gallons and the rates in Appendix A are hereby approved for services rendered on and after July 20, 1991.

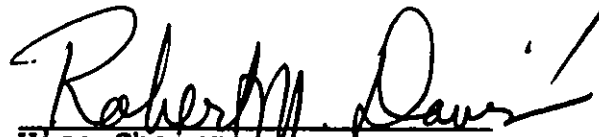
3. Within 30 days of the date of this Order, the Association shall file a revised tariff, signed by the appropriate utility officer, setting out the rates approved herein.

4. Within 20 days of the date rates approved herein are placed into effect, the Association shall file verification that notice has been given to its customers.

Done at Frankfort, Kentucky, this 9th day of July, 1991.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 91-198 DATED July 9, 1991.

The following rates and charges are prescribed for the customers in the area served by North Shelby Water Company. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

Gallonge Blocks

Monthly Rates

5/8 x 3/4 Inch Meter

First 2,000 gallons	\$9.48 Minimum Bill
Next 3,000 gallons	3.74 per 1,000 gallons
Next 5,000 gallons	2.74 per 1,000 gallons
Next 40,000 gallons	2.24 per 1,000 gallons
Over 50,000 gallons	1.74 per 1,000 gallons

1 Inch Meter

First 5,000 gallons	\$20.70 Minimum Bill
Next 5,000 gallons	2.74 per 1,000 gallons
Next 40,000 gallons	2.24 per 1,000 gallons
Over 50,000 gallons	1.74 per 1,000 gallons

1 1/2 Inch Meter

First 10,000 gallons	\$34.40 Minimum Bill
Next 40,000 gallons	2.24 per 1,000 gallons
Over 50,000 gallons	1.74 per 1,000 gallons

2 Inch Meter

First 15,000 gallons	\$45.60 Minimum Bill
Next 35,000 gallons	2.24 per 1,000 gallons
Over 50,000 gallons	1.74 per 1,000 gallons

3 Inch Meter

First 35,000 gallons	\$90.40 Minimum Bill
Next 15,000 gallons	2.24 per 1,000 gallons
Over 50,000 gallons	1.74 per 1,000 gallons